

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE: ) Chapter 11  
          )  
EASTERN LIVESTOCK CO., LLC, ) Case No. 10-93904-BHL-11  
          )  
          Debtor. ) Hon. Basil H. Lorch III

**FIFTH INTERIM APPLICATION OF DEVELOPMENT SPECIALISTS, INC. FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
AS CONSULTANT FOR JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

James A. Knauer, the chapter 11 trustee (the "Trustee") appointed in this case, files this fifth interim application (the "Application") on behalf of Development Specialists, Inc. ("DSI") for the allowance and payment of DSI's fees as consultant for James A. Knauer, the chapter 11 trustee (the "Trustee") appointed in Eastern Livestock Co., LLC and for reimbursement of out-of-pocket expenses incurred on behalf of the Trustee.

**This is an interim fee request application. Any award of fees and costs of this Application by the Court is without prejudice to the rights of any party in interest to object to the final award of the fees and costs requested herein or to maintain any prior objection to previous interim awards of fees and costs to DSI. Any order approving this Application shall state that the interim award is without prejudice to the rights of any party in interest to object to a final fees and costs award whether an objection to an interim application was filed or not filed.**

In support of this Application, the Trustee states as follows:

1. Certain petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered the *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered the *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Court, by order dated February 8, 2011 [Docket #257], approved the Trustee's retention of DSI as the Trustee's consultant.

4. On December 17, 2012, the Court entered *Finding of Fact, Conclusion of Law, and Order Under 11 U.S.C. §1129 (a) and (b) And FED.R.BANKR.P.3020 Confirming Trustee's First Amended Chapter 11 Plan of Liquidation as Immaterially Modified* [Docket#1644].

5. This Application is the fifth interim application filed on behalf of DSI seeking compensation and reimbursement of out-of-pocket expenses incurred by the consultant for the Trustee for the period April 1, 2013 through and including September 30, 2013.

6. As consultant to the Trustee, DSI performed a variety of services, all of which are described in detail in the time entries attached as Exhibit A. The services performed by DSI for and on behalf of the Trustee include, but are not limited to, the following categories:

- a. Fee Application/Client Billing. DSI prepared an amended fourth interim fee application. DSI spent a total of 2.00 hours at a total cost of \$1,060.00 in connection with this category.
- b. Attend Court Hearings/Review Pleadings. DSI reviewed objections to the fourth interim fee application and telephonically attended the relevant hearing regarding same. DSI spent a total of 1.70 hours at a total cost of \$671.50 in connection with this category.
- c. Business Analysis. DSI prepared an analysis during the period of the source of cash received by the Debtor deposited into the escrow account relating to settled

claims. DSI spent 11.50 hours at a total cost of \$3,209.50 in connection with this category.

- d. A/R Review/Collection. DSI continued to assist the Trustee and his counsel in their efforts to collect accounts receivable including providing background of facts related claimed offsets to accounts receivable. DSI spent 3.70 hours at a total cost of \$1,461.50 in connection with this category.
- e. Preference Analysis. DSI assisted the Trustee and his counsel by providing source document support and transaction background detail relating to various preference actions which have been filed. This includes production of loan documents, contracts, inventory reports, shipping documents and purchase and billing documentation. DSI spent 165.70 hours for a total cost of \$59,685.50 in connection with this category.
- f. Claims Analysis. DSI researched issues raised by certain claimants as requested by the Trustee's counsel. DSI spent 3.70 hours for a total cost of \$1,461.50 in connection with this category.
- g. Managing Business Operations. DSI maintained the Debtor's rental office, supervised remaining staff, provided for record storage and backup of Debtor's computer system. DSI spent 23.90 hours for a total cost of \$5,844.50 in connection with this category.
- h. Collection of Notes Receivable. DSI researched information related to a variety of outstanding notes receivable including tracing cash receipts and disbursement activity to support note receivable balances due to the Debtor. DSI spent 47.70 hours for a total of \$18,841.50 in connection with this category.
- i. Litigation Support. DSI researched and responded to numerous requests from counsel relating to various litigation matters and including responding to

subpoena requests. DSI spent 395.90 hours for a total cost of \$143,717.00 for assisting with this category.

7. DSI has reviewed its detailed time entries, and has attempted to eliminate double billing for conference time between DSI's timekeepers, except where the participation of the timekeepers has demonstrable benefit to the estate. Where possible and efficient, DSI encourages the use of lesser billing rate consultants to perform labor intensive tasks, with oversight and review by more experienced consultants.

8. Exhibit A provides the detail of the time entries for each DSI consultant who has performed services in this case. A summary of the fees requested by DSI for each consultant and the number of hours worked for each individual, the billing rate requested and the total fees claimed is set forth below.

<b>Consultant</b>	<b>Hours</b>	<b>Hourly Rate</b>	<b>Total</b>
P. O'Malley	1.50	575.00	862.50
S. L. Cuff	150.70	240.00	36,168.00
E. M. Lynch	503.60	395.00	198,922.00
	655.80		235,952.50

9. DSI has incurred and advanced the sum of \$1,917.00 for out-of-pocket expenses incurred in connection with this case on behalf of the Trustee during the period from April 1, 2013 through and including September 30, 2013. A summary of the out-of-pocket expenses incurred by DSI is set forth in Exhibit B.

10. DSI established certain category codes that cause related time to be grouped together to facilitate the review of the firm's requested fees by the Court, the United States Trustee, and creditors. Set forth below is a summary of the aggregate billings under the established categories for the period April 1, 2013 through and including September 30, 2013.

<b>Category Name</b>	<b>Hours</b>	<b>Value</b>
Fee Application/Client Billing	2.00	\$1,060.00
Business Analysis	11.50	3,209.50
Collection of Notes Receivable	47.70	18,841.50
A/R Review/Collection	3.70	1,461.50
Preference Analysis	165.70	59,685.50
Claims Analysis/Objections	3.70	1,461.50
Managing Business Operations	23.90	5,844.50
Attend Court Hearing/Review Pleadings	1.70	671.50
Litigation Support	395.90	143,717.00
<b>GRAND TOTALS</b>	<b>655.80</b>	<b>\$235,952.50</b>

11. Prior to the filing of the involuntary bankruptcy, Eastern Livestock had been placed in a state court receivership (November 10, 2010), Elizabeth M. Lynch of DSI was named Receiver and DSI was named the Receiver's financial advisor. After the involuntary bankruptcy, Ms. Lynch of DSI was appointed as Custodian until the Trustee was appointed. The Receiver and DSI filed a fee application for the period between the filing of the involuntary bankruptcy and the date of the appointment of the Trustee ("the Custodial Period") on February 9, 2011. Payment for the Custodial Period fee application, comprised of \$160,023.50 for fees and reimbursement of \$15,699.30 for expenses, has been received by DSI.

12. DSI filed its First Interim Fee Application on June 2, 2011. Payment for the first interim fee application, comprised of \$816,837.00 for fees and reimbursement of \$89,422.48 for expenses, has been received by DSI.

13. DSI filed its Second Interim Fee Application on November 11, 2011. Payment for the second interim fee application, comprised of \$468,708.75 for fees and reimbursement of \$54,610.91 for expenses, has been received by DSI.

14. DSI filed its Third Interim Fee Application on November 21, 2012. Payment for the third interim fee application, comprised of \$935,821.25 for fees and reimbursement of \$40,787.03 for expenses, has been received by DSI.

15. DSI filed its Fourth Interim Fee Application on May 17, 2013 comprised of \$323,625.00 for fees and reimbursement of \$1,048.20 for expenses which pursuant to court order may be paid at 80% for fees and 100% for expenses. DSI has received payment of \$136,280.37 of allowed fees and \$1,048.20 of allowed expenses. Payments on interim fee awards from the Fourth Interim Fee Application forward shall be subject to the same 20% holdback, which holdback may be paid upon approval of the final fee application.

16. This Application is the fifth application of DSI since its appointment as consultant for the Trustee in this case.

17. No agreement or understanding exists between DSI and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

18. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively on behalf of the Trustee and represent necessary and proper financial advisory services in the administration of this chapter 11 case.

WHEREFORE, DSI requests (i) the Court to award an allowance of compensation on an interim basis for consulting fees in the amount of Two Hundred Thirty-Five Thousand, Nine Hundred Fifty-Two and 50/100 Dollars (235,952.50) plus reimbursement for out-of-pocket expenses incurred in the amount of One Thousand Nine Hundred Seventeen and 00/100 Dollars (\$1,917.00), (ii) award payment of the requested fees at 80% and payment of the requested expenses at 100%, and (iii) grant DSI all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: /s/ James A. Knauer

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*Chapter 11 Trustee on behalf of Consultant,  
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**CERTIFICATE OF SERVICE**

I hereby certify that on December 4, 2013, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on December 4, 2013, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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